



U.S. SENATE COMMITTEE ON

Commerce, Science, and Transportation

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PRESS RELEASE
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Summary of Commerce Committee Port Security Legislation

Title I: Security of United States Seaports

Subtitle A: General Provisions

- **Section 101: Area maritime transportation security plan to include salvage response plan.** Ensures that following a maritime transportation security incident waterways are cleared, salvage equipment is identified, and the flow of commerce is reestablished.
- **Section 102: Requirements relating to maritime facility security plans.** Authorizes qualified individuals to implement Department of Homeland Security (DHS) approved security plans for a maritime facility.
- **Section 103: Unannounced inspections of maritime facilities.** Verifies the effectiveness of facility security plans on a periodic basis, including at least one unannounced inspection annually.
- **Section 104: Transportation security card deadline.** Establishes a timeframe for Transportation Worker Identification Credential (TWIC) implementation at all U.S. seaports. Requires DHS to process applications simultaneously for individuals needing both TWIC and merchant mariner documents.
- **Section 105: Long-range vessel tracking.** Encourages DHS to issue regulations to establish a voluntary long-range automated vessel tracking system for select vessels.
- **Section 106: Establishment of interagency operational centers for port security.** Expands existing interagency operational/fusion centers to all high-priority ports within three years to facilitate coordination and communication among Federal, State, local and private sector stakeholders. Requires DHS to submit a budget and cost-sharing analysis to Congress within 180 days of this Act.

Subtitle B: Grant and Training Programs

- **Section 111: Port security grants.** Requires DHS to allocate grants based on risk to port authorities, facility operators, and State and local government agencies to enhance port security activities. Authorizes appropriations of \$400 million.
- **Section 112: Port security training program.** Allows establishment of a training program for seaports' prevention of, preparation for, response to, and recovery from threats, including terrorism, natural disasters and other emergencies. The program would be coordinated with the Coast Guard.
- **Section 113: Port security exercise program.** Allows creation of an exercise program to test and evaluate the capabilities of Federal, State, local and other relevant stakeholders to coordinate appropriate response and recovery from threats at commercial seaports. The program would be coordinated with the Coast Guard.

Subtitle C: Port Operations

- **Section 121: Domestic radiation detection and imaging.** Requires the Secretary to develop a strategy for deployment of radiation detection capabilities and ensures that by December 2007, all containers entering the U.S., through the busiest 22 seaports, shall be examined for radiation. Requires DHS to submit a report of the strategic plan developed and to implement the strategy nationwide within three years. Requires DHS to submit a separate plan for the development of equipment to detect WMD threats at all U.S. ports of entry.
- **Section 122: Port security user fee study.** Requires DHS to study the need for and feasibility of oceanborne and port-related transportation security user fees to be collected for funding port security improvements. Requires DHS to submit a report detailing the results of the study, analysis of current customs fees and duties collected that are dedicated to security, comparison of comparable fees imposed in ports of Canada and Mexico, assessment of the impact on competitiveness of U.S. ports, and recommendations based on findings.
- **Section 123: Inspection of car ferries entering from Canada:** Requires DHS, in coordination with Department of State, to develop a plan for the inspection of passengers and vehicles before loading onto ferries bound for a U.S. port.
- **Section 124: Random searches of containers.** Requires DHS to develop and implement a plan, within one year after enactment, for random physical inspection of shipping containers. Random searches would not preclude additional container searches.
- **Section 125: Work stoppages and employee-employer disputes.** Defines the term economic disruption, which does not include a work stoppage or nonviolent employee related action not related to terrorism and resulting from an employee-employer dispute.

Title II: Security of the International Supply Chain

Subtitle A: General Provisions

- **Section 201: Strategic plan to enhance the security of the international supply chain.** Requires DHS to develop, implement and update a strategic plan to improve the security of the international cargo supply chain. The plan would be required to identify and address gaps, provide improvements and goals, establish protocols for the resumption of trade including identification of the initial incident commander, consider international standards for container security, and allow for communication with stakeholders.
- **Section 202: Post incident resumption of trade.** Establishes that following a maritime transportation security incident, the initial incident commander and lead department carry out the protocols of the international supply chain security strategic plan. The Coast Guard would ensure the safe and secure transit of vessels to U.S. ports. Preference would be given to certain vessels and cargo (CSI/C-TPAT) in the resumption of trade. The Secretary would ensure that there is appropriate coordination among federal officials and communication of revised procedures, not inconsistent with security interests, to the private sector to provide for the resumption of trade.
- **Section 203: Automated targeting system (ATS).** Requires DHS to identify, and allows it to request the submission of, additional data (non-manifest and entry data elements) of container cargo moving through the international supply chain. Data would be analyzed to identify high-risk cargo for inspection. Authorization of appropriations to fund ATS for FY 2007-2009.
- **Section 204: Container security standards and procedures.** Requires DHS to promulgate a rule to establish minimum standards and procedures for securing containers in transit to the U.S. If the rulemaking deadline is not met, DHS would have to provide a letter of explanatory rationale to Congress. DHS and other federal agencies are encouraged to promote international cargo security

standards.

- **Section 205: Container security initiative (CSI).** Authorizes CSI program to identify, examine or search maritime containers before U.S.-bound cargo is loaded in a foreign port. Designates foreign ports as part of the CSI program based upon select criteria including risk, trade volume and value of cargo, Coast Guard assessments, and the commitment of the host nation to comply with data sharing requirements. DHS would establish standards for the use of nonintrusive imaging and radiation detection equipment at CSI ports. DHS would also develop a plan to ensure adequate staffing at CSI ports. Requires DHS to submit a report to Congress on the effectiveness of, and need for improvements to, CSI. Authorizes appropriations for FY 2008-2010.

Subtitle B: Customs-Trade Partnership Against Terrorism (C-TPAT)

- **Section 211: Establishment.** Authorizes DHS to establish a voluntary program (C-TPAT) to strengthen international supply chain and border security, facilitate the movement of secure cargo and provide benefits to eligible participants.
- **Section 212: Eligible entities.** Allows importers, customs brokers, forwarders, air, sea, and land carriers, contract logistics providers, and other entities in the international supply chain and intermodal transportation system to apply for this voluntary program.
- **Section 213: Minimum requirements.** Establishes minimum security and other requirements that applicants must meet to be eligible for C-TPAT.
- **Section 214: Tier 1 participants in C-TPAT.** Allows for limited benefits for participants, which may include a reduction of the ATS risk score, to those C-TPAT participants that meet the minimum guidelines established. To the extent practicable, DHS would complete the Tier 1 certification process within 90 days of receipt of a candidate's application.
- **Section 215: Tier 2 participants in C-TPAT.** Allows for an additional level of benefits – reduced cargo examinations and priority processing – to those participants who meet a higher level of C-TPAT security requirements. DHS would be required to validate the security measures and supply chain practices of C-TPAT participants, including on-site assessments, within one year of certification.
- **Section 216: Tier 3 participants in C-TPAT.** Establishes a third-tier of C-TPAT offering increased benefits to participants that demonstrate a sustained commitment to security based on certain criteria. Benefits may include, among others, expedited release of cargo, further reduced examinations, reduced bonding requirements, and notification of specific alerts and post-incident procedures as well as inclusion in joint incident management exercises, as appropriate.
- **Section 217: Consequences for lack of compliance.** Allows DHS to deny benefits in part or in whole, including suspension or elimination for at least five years, of any participant that fails to meet C-TPAT requirements or knowingly provides false or misleading information: said entities may appeal this decision.
- **Section 218: Revalidation.** Establishes a process for revalidating C-TPAT participants in tiers 2 and 3 and requires an annual plan for revalidation, detailing performance measures and necessary personnel requirements.
- **Section 219: Non-containerized cargo.** Allows DHS to consider including importers of non-containerized cargo as participants in C-TPAT, provided program requirements are met.
- **Section 220: C-TPAT program management.** Requires DHS to establish sufficient internal quality controls and record management of C-TPAT including development of a strategic plan to identify goals, annual plans to match resources with workload, a standardized work program to monitor progress, a record management system, and a data protection program.
- **Section 221: Resource management staffing plan.** Requires development of a staffing plan to

recruit, train and cross-train C-TPAT personnel.

- **Section 222: Additional Personnel.** Obliges DHS to increase, by at least 50 positions annually for fiscal years 2007 through 2009, the number of personnel to validate and revalidate C-TPAT members.
- **Section 223: Authorization of appropriations.** Authorizes appropriations to Customs and Border Protection in DHS to carry out the C-TPAT provisions of sections 211 through 221. In addition to any monies appropriated to Customs and Border Protection, there are authorized to be appropriated funds for the purpose of meeting the staffing requirement provided in section 222.
- **Section 224: Report to Congress.** Stipulates that DHS must report on the progress of C-TPAT certifications, validations and revalidations in conjunction with the President's annual budget submission.

Subtitle C: Miscellaneous Provisions

- **Section 231: Pilot integrated scanning system.** Develops a pilot program in three foreign seaports, each with unique features and varying levels of trade volume to test integrated scanning systems using nonintrusive inspection and radiation detection equipment. Requires full-scale pilot implementation within one year after enactment. An evaluation report would be required to be submitted to Congress 120 days after full implementation of the pilot.
- **Section 232: International cooperation and coordination.** Allows DHS to provide assistance, equipment and training to facilitate the implementation of supply chain security measures at CSI designated ports. Requires DHS to identify foreign assistance programs to encourage implementation of port security antiterrorism measures at foreign ports, with particular emphasis on foreign ports in the Caribbean Basin. Requires GAO to submit a report on the security of Caribbean ports within 180 days.

Title III: Administration

- **Section 301: Office of Cargo Security Policy.** Establishes an office within DHS to coordinate all cargo security policy within the Department, coordinate DHS cargo security policies with policies of other executive agencies, consult with stakeholders, establish standards, and promote best practices.
- **Section 302: Reauthorization of Homeland Security Science and Technology Advisory Committee.** Authorizes the Assistant Secretary for Science and Technology to utilize the Homeland Security Science and Technology Advisory Committee to provide outside expertise in advancing cargo security technology.
- **Section 303: Research, development, test, and evaluation efforts in furtherance of maritime and cargo security.** Assures coordination within DHS and with other public and private sector entities for research and development of maritime and cargo security innovations.

Title IV: Agency Resources and Oversight

- **Section 401: Office of International Trade.** Creates within the Bureau of Customs and Border Protection (CBP), an Office of International Trade. Establishes an International Trade Policy Committee to assist in coordinating with the DHS Assistant Secretary for Policy regarding commercial customs and trade facilitation functions. Establishes an International Trade Finance Committee to coordinate and oversee the implementation of programs involved in the assessment and collection of duties on U.S. imported and exported cargo.

- **Section 402: Resources.** Requires CBP to complete a resource allocation model, by June 2007 and every 2 years thereafter, to determine optimal staffing for commercial and revenue functions. Requires submission of models of Congress. Authorizes appropriations to increase the number of CBP personnel to perform commercial operations and customs revenue functions: new hires would be based upon aforementioned models and additional authorized 725 CBP officers.
- **Section 403: Negotiations.** Requires DHS to work with appropriate Federal officials and international organizations to harmonize customs procedures, standards, requirements and commitments to facilitate the efficient flow of international trade.
- **Section 404: International Trade Data System (ITDS).** Requires the Secretary of the Treasury to oversee the establishment of an electronic trade data interchange system to eliminate redundant information requirements, to efficiently regulate the flow of commerce and enforce regulations relating to international trade. All Federal agencies that require documentation for clearing or licensing the importation and exportation of cargo shall participate in the ITDS, unless based on national security interests, the Office of Management and Budget (OMB) waives the participation requirement. Establishes an Interagency Steering Committee to define the standard set of data elements to be collected, stored and shared in the ITDS: said committee would submit a report to Congress before the end of each fiscal year.
- **Section 405: In-bond cargo.** Requires DHS to submit a report to Congress including analysis of various aspects of in-bond cargo, such as tracking, technologies, evaluation criteria for targeting and examining in-bond cargo and the feasibility of reducing the transit time for in-bond shipments.
- **Section 406: Sense of the Senate.** Delineates elements of the bill that shall not affect the jurisdiction of standing Senate committees.